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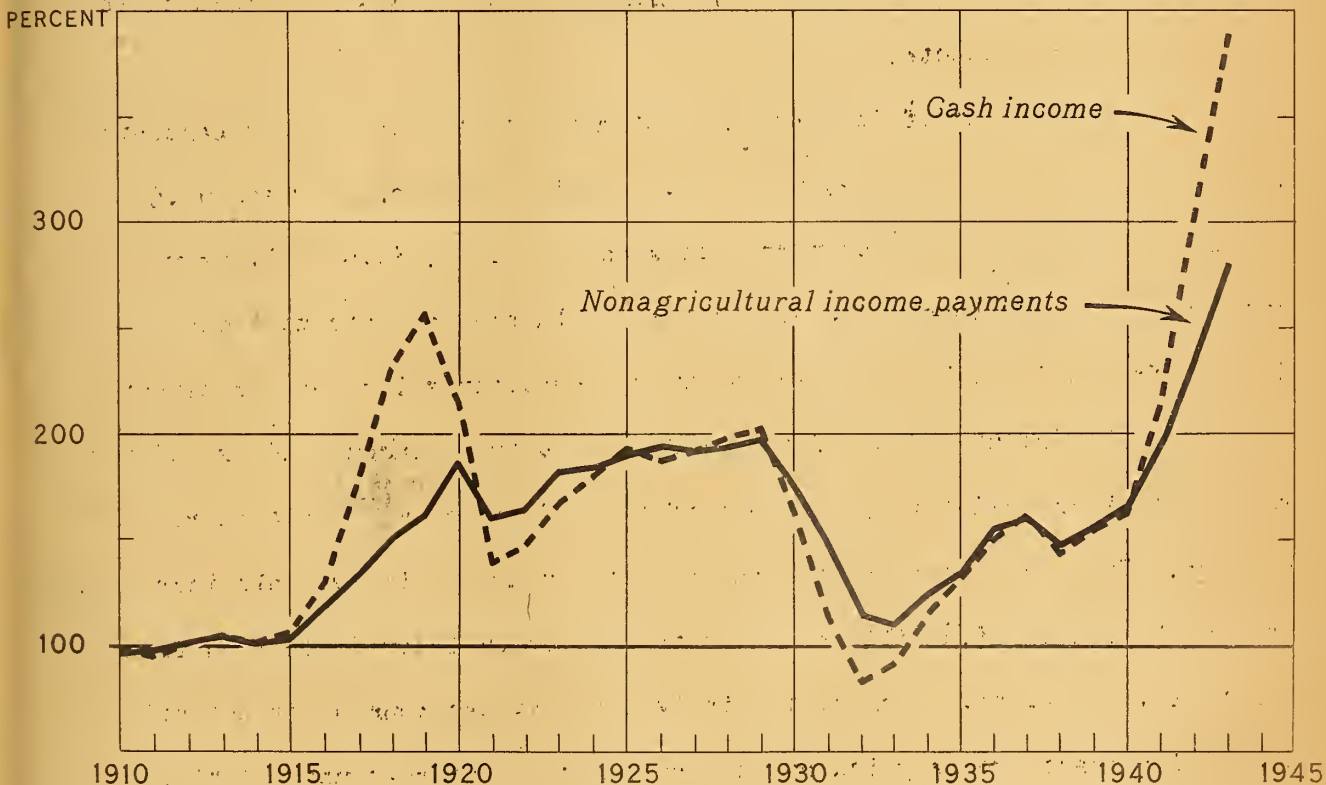
WASHINGTON, D. C.

BAE

FEBRUARY 1944

## PER CAPITA CASH INCOME FROM FARM MARKETINGS (INCLUDING GOVERNMENT PAYMENTS), AND PER CAPITA NONAGRICULTURAL INCOME PAYMENTS, 1910-43

INDEX NUMBERS (1910-14=100)



U. S. DEPARTMENT OF AGRICULTURE

NEG. 43488 BUREAU OF AGRICULTURAL ECONOMICS

Since 1910, per capita farm and nonfarm income payments in the United States have followed somewhat similar courses, but the fluctuations in farm income have been considerably greater. For instance, from 1933 to 1943 the index of cash income from farm marketings increased 296 points on the index as compared with 168 points for nonagricultural income payments. With few exceptions, the farm index has been lower than the nonfarm except during the two war periods. From 1921 to 1940, the farm index was lower in 15 of the 20 years. The higher levels reached during the present war are largely the result of greater per capita production, since prices have not risen as high up to the present time as they did during the first war.

## DEMAND FOR FARM PRODUCTS

Consumer income in the United States, which rose steadily in 1943 and contributed to the substantial increase over 1942, in farm income is likely to continue at similarly high levels in 1944. The adjusted index of total income payments (1935-39=100) reached 224.8 in December as compared with 193.4 in December 1942. 1/ This represents an increase of 16.2 percent during the year. The rise in non-agricultural income payments was somewhat less than that for the total, amounting to 13.5 percent during 1943. However, non-agricultural income payments in December 1943 were \$1,577,000,000 higher than in December 1942 which is highly significant in determining the demand for farm products.

The Department of Commerce has estimated that total income payments to individuals for the year 1943 were 141.9 billion dollars, of which 90.5 billions were spent for consumers' goods and services, 33.6 billions were saved and 17.8 billions were paid in taxes. Income payments more than doubled from 1939 to 1943, while consumer expenditures increased somewhat less than 50 percent. Some of the difference between income and expenditures was due to increased taxes, but most of the difference went into increased savings. From 1939 to 1943, the annual net savings of individuals increased from 6 billion to 33.6 billions while taxes paid by individuals rose from 3.1 to 17.8 billions. Much of the individual savings represents potential demand for scarce goods which are now rationed or entirely unavailable, and creates a considerable backlog of demand for the post-war period.

Although income, expenditures, and savings have continued to increase, civilian employment in 1943 was slightly below the 1942 level.

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1/ Department of Commerce.

The principal decreases in civilian employment occurred in the trade, service, construction, building material and miscellaneous industries. There was a considerable increase in the munitions industries. There was a general lengthening of the number of hours worked per week throughout industry in 1943, which, in some measure, offset the decline in the number employed. For instance, the average number of hours worked per week in all manufacturing industries in 1943 was 45.0 as compared with 42.9 in 1942. an increase of 4.9 percent.

Domestic trade continues at a high level. The adjusted index of department store sales (1923-25=100) was 129 in December 1943, as compared with 125 one year earlier. Relatively small increases were general throughout the country except in New York and Philadelphia where there were slight decreases. The total volume of sales of all retail stores has been larger each month in 1943 than it was in the corresponding months in 1942. In recent months, the increase has averaged about \$440,000,000 or 8.6 percent of the 1942 sales. Most of this increase is apparently the result of higher retail prices, although some of it represents an increase in the physical volume of goods handled. The Department of Commerce index of retail prices of all commodities has averaged about 5.7 percent higher than one year earlier.

-- February 18, 1944

#### INDUSTRIAL PRODUCTION

The seasonally adjusted index of industrial production <sup>1/</sup> for December 1943 was 243. This is two points less than the index for October, but 22 points above December 1942. It is too soon to know whether or not the December decline represents merely a temporary setback or reflects a more permanent change in conditions. However, there is some indication of at least a slackening in the upward trend in production. The average index

<sup>1/</sup> Federal Reserve Board, 1935-39 = 100.



for the year 1943 was 40 points, or approximately 20 percent, higher than in 1942. This is slightly less than the percentage rise from 1941 to 1942 and considerably less than from 1940 to 1941. Steel production has been declining since last October and production in January 1944 was below that of any month in 1943.

By far the greatest rise in production in recent years has occurred in the manufacture of durable goods, the index for which stood at 374 in December and averaged 361 for the year 1943. Durable goods industries include a large part of those making munitions and other supplies for direct war purposes. For the year 1943, the Department of Commerce has estimated that 81 percent of the output of durable goods was used for war purposes, as compared with 74 percent in 1942 and 30 percent in 1941. From 1941 to 1943, the output for war purposes was multiplied almost 5 times, while that for civilian use declined to less than one-half its 1941 level.

The index of production of non-durable goods has shown much less rise than that of durable goods. It stood at 175 for December 1943, an increase of only 6 points from December 1942. About 43 percent of the output of non-durable goods in 1943 was used for war purposes. However, the production of such goods for civilian purposes declined only 22.5 percent from 1941 to 1943, compared with a decline of 51.8 percent for durable goods.

Of special interest to agriculture are the recent trends in the textile, lumber, and manufactured food industries. Production of textiles and related products was slightly lower in 1943 than in the previous year. The monthly index fluctuated irregularly throughout the past year and stood at 147 in December 1943, as compared with 157 one year earlier.

The production of lumber and related products was slightly lower in 1943 than in 1942 in spite of the critical need for supplies and declines in available inventories. However, production during the last two months of 1943 was at a somewhat higher level than that which prevailed earlier in the year, even after adjustment for seasonal variations.

The index of production of manufactured food products was 142 in 1943. This was the highest on record and represented a 6 percent increase over 1942. The monthly adjusted index reached a high point of 149 in November 1943 and declined only slightly in December.

#### COMMODITY PRICE TRENDS

Wholesale prices of all commodities rose slightly in December 1943 after declining slowly for the previous six months. Present indications are that the index for January 1944 will not be greatly different from that for December. The December index <sup>1/</sup> stood at 103.2 which was almost identical with the average for the year 1943.

The index of wholesale prices of farm products in December 1943 (1926 = 100) was 121.8, compared with 103.2 for all commodities, 105.6 for

1/ Bureau of Labor Statistics 1926 = 100.

food, and 97.7 for other commodities. The prices of farm products have been following a trend similar to food prices but different from that of other commodity prices. Wholesale prices of farm products were 3.2 points lower in December 1943 than in July; food prices were 1.6 points lower; and the prices of other commodities were .8 point higher. Food prices at wholesale were slightly lower in December than in November 1943. There appears to have been a further decline in January 1944. These reflect slightly lower prices of meat because of exceptionally large production and seasonal price decreases of a few products such as eggs.

The cost of living in large cities in the United States, as shown by the index of the Bureau of Labor Statistics, showed little change during the last three months of 1943. The December 1943 index was 124.4 as compared with 120.4 one year earlier. The index of food costs in December 1943 was 137.1, while that for nonfood costs was only 118.1. However, since last October the index of food costs has dropped 1.1 points in contrast to a rise of .6 point in the index of nonfood costs.

#### FARM INCOME AND PRICES

The index of prices received by farmers for February may be down slightly, with prices for both crops and livestock showing some decline. Volume of marketings will be down somewhat but the drop in income will not be as great as the usual seasonal decline.

Present information on total income from farm marketings in January indicates that the decline, as compared with December, was not as great as usual. The drop in income that generally takes place during the first month in the year was diminished as the volume of meat animals marketed was nearly as high as in December, a greater than ordinary increase in milk production occurred, and the largest number of hens for any January on record produced 37 percent more eggs than in December.

Income from crops in January made less than the ordinary seasonal decline as the regular drop in volume of marketings was partially offset by a 4 percent increase in prices. Total income from farm marketings in January was about 1.5 billion dollars.

The preliminary estimate for total cash income from farm marketings in December was 1,697 million dollars, compared with 2,005 million dollars in November. This decline was less than ordinarily occurs. Income from feed grains and tobacco was much higher than usual in relation to November, and receipts from crops did not decline as much as usual. Increased sales of poultry and eggs at only slightly reduced prices helped to prevent income from livestock and livestock products from making more than the seasonal drop.

The tentative estimate for total income from farm marketings, based on the monthly cumulations for the entire 12 months of 1943, was 19,009 million dollars while the revised 1942 income was 15,480 million dollars. Receipts from crops were 21 percent above 1942 while income from livestock was up about 24 percent. Greatest gains were made by feed grains, oil-bearing crops, vegetables, fruits and nuts, and poultry and eggs.



The cattle stabilization plan which became effective the last of December established price ranges for different grades of cattle. It is expected that this plan will result in a more nearly normal spread in prices of different grades than existed in 1943. Support prices have been temporarily extended to include good to choice butcher hogs weighing up to 330 pounds. Formerly support prices were established only for hogs weighing 200 to 270 pounds.

Price ceilings have recently been placed on carrots, spinach, snap beans, eggplant, peppers, and cucumbers, both at country shipper and terminal market levels. Effective ceilings had been formerly established on cabbage, lettuce, and onions. Prices have been at ceiling levels on nearly all vegetables and it is expected that this situation will prevent the drastic increase in vegetable prices this spring which occurred a year ago.

New support prices were announced the last of January on most oil-bearing crops, subject to congressional action making provision for the proposed support price program. Support prices to growers at country shipping points for 1944 crop soybeans will be \$1.94 per bushel for green or yellow beans grading No. 2 or better, which is an increase of 14 cents over the support price for the 1943 crop. Support prices on peanuts were advanced \$10.00 per ton making the price \$140.00 or \$150.00 per ton, depending on the type of peanuts, effective at producer delivery points. The floor for flaxseed prices was raised from \$2.85 per bushel to \$2.95 per bushel for No. 1 flaxseed at Minneapolis.

#### COTTON

Daily cotton consumption in December 1943 averaged 37,044 bales, the lowest in any month since December 1940 and 20 percent below the peak reached in April 1942. For the month as a whole, consumption in December totaled 852,016 bales. This was slightly less than the 858,813 bales consumed in November despite the fact that December had more working days than November.

For the 5 months August-December 1943, consumption totaled 4,271,407 bales, of which 17,996 bales were American-Egyptian and 48,529 bales foreign cotton. These quantities compare with a total of 4,706,523 bales during the corresponding months a year earlier, of which 21,953 bales were American-Egyptian and 77,903 bales were of foreign growths. On a daily basis the total consumption for the 5-month period declined from 44,089 bales per working day in the latter part of 1942 to 39,277 bales per day in the latter part of 1943, and the annual rates based thereon dropped from 11,246,000 bales to 10,117,000 bales, a decline of 10.0 percent.

Cotton prices have shown considerable strength during the past month. The 10-market price of Middling 15-16" cotton reached 20.79 cuts per pound on February 9. This compares with a January average of 20.17 and is the highest daily price since July 23.

A separate parity price was recently established for American-Egyptian cotton. At the same time, a loan program for 1943 and 1944 crop American-Egyptian cotton was announced. On January 15 the parity price was 42.36 cents



per pound. The loan rate for the basic quality of American-Egyptian cotton (Grade No. 2, 1-1/2 inches) will be 40.80 cents per pound, net weight, in the Arizona-California area, and 41.05 cents per pound, net weight, in the New Mexico-West Texas area. Actual market differences during the 1942-43 season were used in establishing loan differentials between the qualities of American-Egyptian cotton. A location differential has also been established between the Arizona-California area and the New Mexico-West Texas area, to reflect transportation costs from the area of production to Southeastern and New England mill points.

#### WHEAT

Wheat prices on February 11, at about ceiling levels, were generally about unchanged, compared with a month earlier. Prices at Portland were an exception, however, continuing at about 7 cents under the ceilings. The ceiling levels, which became effective January 4 and which reflect at least 100 percent of parity, are as follows: No. 2 Soft Red at St. Louis and Chicago \$1.71-7/8 per bushel, No. 2 Hard Red Winter at Kansas City \$1.62, No. 1 Dark Northern Spring at Minneapolis \$1.63-7/8, and No. 1 Soft White at Portland \$1.38. These prices include the usual commission charge of 1-1/2 cents a bushel and customary trade practices with regard to discounts and payments of premiums.

Wheat stocks on January 1 totaled 810 million bushels, compared with the all-time January 1 record a year earlier of 1,158 million, and the 1935-42 average of 593 million. The 810 million bushels were made up of the following, in million bushels: On farms 379, in interior mills, elevators, and warehouses 146, in commercial centers 136, in merchant mills and mill elevators 114, and Commodity Credit Corporation wheat in transit and in steel and wood bins 35. Considering that supplies totaled about 1,482 million bushels (July 1 stocks 616, production 836, and net imports about 30), this indicates that the disappearance in the July-December period was about 670 million bushels. This disappearance, in million bushels, was approximately 270 for food, 290 for feed, 55 for seed and 55 for industrial alcohol.

On the basis of present prospects, disappearance in the January-June period is expected to be approximately as follows, in million bushels: Food 270, feed 170 to 200, seed 25, industrial alcohol 40 to 50, and exports 60 to 80. If imports amount to about 75 million, as now expected, a carry-over next July of at least 275 to 300 million bushels would be indicated. A carry-over of this size would provide for operating stocks of 125 million bushels, 50 million for our commitment under the International Wheat Agreement, and leave 100 million or more as a reserve against small yields.

According to the Weather Bureau, snow and rain have recently improved conditions in the drought-stricken middle west. Danger of severe loss of crops in the Ohio and Mississippi valleys appears to have been largely removed in most regions. Precipitation has been fairly heavy in the northern plains States, and the Ohio Valley States north of the river and the central upper Mississippi Valley now have good snow cover.

## FATS, OILS, AND OILSEEDS

Production of fats and oils was at a new peak in October-December 1943. Total output in those months is estimated at about 3,130 million pounds, 5 percent above production in the corresponding months of 1942. The chief factor in the increase was the record high level of lard production. About 19.5 million hogs were slaughtered under Federal inspection in October-December 1943 compared with 16.0 million in the corresponding months of 1942. Also a higher yield of lard per hog was obtained than a year earlier. Production of cottonseed oil and butter was materially smaller in October-December 1943 than in the corresponding period of 1942, but there were increases of 12, 25, and 116 percent, respectively, in the output of soybean, linseed, and castor oils. Output of fats and oils continued at a high level in January 1944.

The high rate of production of fats and oils in recent months has been reflected in some easing of the extremely tight situation that existed in July-September 1943. Stocks increased about 215 million pounds from October 1 to December 31, when they totaled about 2,100 million pounds, nearly 100 million pounds more than a year earlier.

Requirements for fats and oils in 1944 will be greater than in 1943. Military requirements are expected to expand materially. Under present manufacturers' quotas more fats will be used for soap than in 1943. A moderate increase is expected in lend-lease requirements. Supplies of food fats for civilians are expected to be smaller than the total disappearance in 1943 but at approximately the same level as in the last 6 months of 1943. Stocks of fats and oils are materially under the pre-war relationship of stocks to requirements. This indicates that the fats and oils situation may grow tighter again in July-September, the seasonal low period in inventories. Pressure on supplies of fats and oils in 1944 and 1945 will be intensified to the extent that European demand reenters world markets.

## CORN AND OTHER FEEDS

Supplies of feed grains for shipment to deficit areas and to industrial users became more freely available after the turn of the year than they were in the fall months. Receipts of corn at primary markets, which had run 21 percent under the previous year in October-December, were 20 percent greater in January 1944 than in January 1943, and continued well above the 1943 level in the first 2 weeks of February. Market receipts of oats also were larger in January and early February than a year earlier. Despite a smaller crop in 1943, receipts of oats at 12 primary markets in the first 7 months of the oats marketing year (July-January) were 35 percent greater than in the corresponding period of 1942-43. Barley receipts tapered off in December, but in the 7 months June-December 1943, receipts of barley at the four principal markets were 41 percent greater than a year earlier.

The average price received by farmers for corn advanced from \$1.05 per bushel in mid-November to \$1.13 in mid-January, reflecting the rise in corn-price ceilings on December 6. Ceilings placed on oats, barley, and grain sorghums on December 6 for 60 days were extended in early February for an



indefinite period. The average farm price of corn in mid-January was 28 percent higher than a year earlier; the price of oats, at 77.5 cents per bushel, was 48 percent higher; the price of barley, at \$1.08, was 58 percent higher; and the price of grain sorghums, at \$2.05 per 100 pounds, was 54 percent higher. Prices of feed grains probably will continue at or close to ceiling levels during the rest of the 1943 marketing year. Government loan rates announced for 1944-crop corn, barley, and grain sorghums are somewhat lower than current prices. Unless a drastic change occurs in the livestock-feed balance, prices of these grains next summer and fall are likely to be above the loan values.

The supply of feed grains per grain-consuming animal unit apparently was about a fifth smaller on January 1 this year than last, mainly as a result of the record numbers of livestock on hand. Although livestock numbers may be reduced to some extent during 1944, the demand for livestock feeds probably will continue to exceed 1943 demand, at least until summer.

#### LIVESTOCK AND MEATS

Meat production during April-June of this year will be seasonally lower than production in the first quarter. However, it is expected that in the second quarter of 1944 civilians will receive more meat per person than they received in the same period of 1943. Carry-over of meat from the first quarter of the year will be sizable. War Food Administration purchases of meats for lend-lease will probably slacken off when the period of heavy winter marketings is over.

All-time record numbers of cattle and calves, hogs, and poultry were on farms on January 1, 1944. A great increase in livestock numbers has occurred in recent years as a result of heavy demands for meat created by the war, large feed supplies, and favorable livestock-feed price relationships. Sheep numbers which have declined for the past 2 years are still at a high level in relation to pre-war numbers. Horse and mule numbers have been declining for many years and were reduced 4 percent from a year earlier. In terms of grain-consuming animal units there were 170.8 million on farms January 1, 1944; compared with 159.6 million on January 1, 1943, and a 1935-39 average of 122.8 million. January 1, 1944 numbers were estimated at 82.2 million cattle and calves, 83.8 million hogs, 51.7 million sheep and lambs, and 12.9 million horses and mules. On January 1, 1943, these numbers were 79.1 million cattle and calves, 73.7 million hogs, 55.8 million sheep and lambs, and 13.4 million horses and mules. With smaller pig crops in prospect in the spring and fall of 1944 than in 1943, hog numbers will be reduced from the present count by the end of this year. Sheep and lamb numbers will probably be lower at the end of 1944. If cattle and calf slaughter this year is not substantially greater than last year, the cattle population may increase further in 1944.

February slaughter of hogs continues at a heavy rate. March slaughter, while seasonally lower than February, will be comparatively high. Slaughter in federally inspected packing plants in January reached an all-time record of 7.8 million head, which is near capacity under present conditions. This exceeded the December slaughter by 4 percent.



Support prices for hogs were extended to cover Good to Choice barrows and gilts weighing up to 330 pounds on January 27, for an indefinite period, so that 200 to 330-pound weights are now supported. Packers were reluctant to buy hogs weighing 250-330 pounds at support prices when lighter weights were available, consequently when market receipts of hogs were large and there were hogs held over in sellers' pens at the end of the trading day, hold-overs were largely made up of these heavier hogs. In general, hog marketing in February was in an orderly manner. Many markets were operating on a permission-to-market basis. Omaha and Chicago generally were the only markets that reported more hogs than they could take care of during the first part of the month. On February 14, some choice shipments at weights of 200 to 230 pounds advanced to slightly above support levels at Chicago. This was the first time hog prices had exceeded support prices since November 10. It may be expected that hog prices for most types may continue to show some improvement.

Cattle slaughter under Federal inspection reached 1.1 million head in January, 23 percent above slaughter in January 1943 and broke all previous records for the month. Calf slaughter was 38 percent above that of January 1943. Slaughter of cattle and calves is expected to continue at or near present levels throughout February and March.

The demand for stocker and feeder cattle has been very broad in the last few weeks. Cattle of this class have been scarce. At Kansas City feeder steers in the week ended February 18, averaged \$13.07 compared with \$11.61 a month earlier and \$13.84 for the week ended February 19, 1943.

Sheep and lamb slaughter in federally inspected houses in January was 12 percent above January 1943, but 14 percent less than in December 1943. Slaughter in February and March will probably be moderately lower than in January.

#### WOOL

As part of the proposed 1944 program for support prices on farm products, subject to Congressional authorization, the War Food Administration announced on January 26 that it will offer to purchase the 1944 domestic production of wool at the 1943 purchase price, which is the current ceiling price less specific marketing costs. The proposed wool program is similar to that of 1943 in that it contemplates that established wool dealers will act as purchasing agents for the WFA and that wool will be offered to mills at ceiling prices.

Midmonth prices received by farmers averaged 40.9 cents a pound during the first 9 months of the Government purchase program which went into effect on April 25, 1943. Farmers probably would have received lower prices in 1943 if no support program had been functioning, as comparable grades of foreign wool were readily available at lower prices. The 1943 average price received by farmers was about a cent a pound higher than the average price in 1942.

Mill consumption of apparel wool in 1943 totaled approximately 1,061 million pounds (greasy shorn and pulled basis). About 430 million pounds of domestic wool were used. The 1943 consumption was about equal to the 1942 record consumption. However, since the peak in consumption in the spring of 1943 the trend has been downward. The recent decline in mill consumption is the result of a decline in production of military fabrics. Difficulties incident to the change over from military to civilian fabrics probably have prevented mills from making full use of machinery released by the decline in military production.

#### DAIRY PRODUCTS

Plans for continuation of the dairy production payments program, limitations affecting the production of cheese other than American cheddar, and allocations of dairy products for civilian, military, lend-lease and export purposes in 1944 were recently announced by the War Food Administration.

The dairy production payments program was extended to February 17, the date on which the Commodity Credit Corporation was to be terminated, in an announcement made by the War Food Administration on February 2. It was stated that rates for the remainder of February and for March and April would be adjusted to take into account increases in feed and other costs since the original rates were established last October. For the spring and summer months following April, rates would be lowered somewhat. Next fall and winter, the rates would be seasonally higher.

The limitation on production of cheeses such as Swiss, cream and Italian varieties will permit production at the levels of 1942, or about 10 percent less than in 1943, but otherwise the second largest on record. It is expected that the limitation will cause milk to be diverted mainly to production of cheddar cheese, although in some places the milk may be used for other dairy products.

The 1944 allocations of dairy products are based on a milk production forecast of about 116 billion pounds, compared with about 118 billion pounds produced in 1943. The per capita civilian allocations are at about the same rate as consumption during the last half of 1943, but are slightly smaller than per capita consumption for the whole of 1943. Military services and lend-lease were allocated somewhat larger quantities of dairy products than they received in 1943.

Milk production on farms in January was 8.6 billion pounds, about 2 percent lower than production in January 1943. Relatively mild weather in January this year was favorable to production. The rate of grain feeding was fairly heavy. Crop correspondents reported about 5.2 pounds of grain fed per cow per day on February 1, compared with 5.7 pounds on February 1 last year and 4.6 pounds for the 1933-42 average.

Production of all dairy products increased somewhat more than seasonally from November to December, but the combined milk equivalent of the principal manufactured dairy products was about ten percent smaller than in



December 1942. The decline, most of which was in creamery butter production, was partly a result of lower total milk production, and partly a result of increased consumption of fluid milk.

#### POULTRY AND EGGS

Egg production continued at record levels through January. The number of layers on farms during that month was 5 percent larger than a year earlier but with a record high rate of lay, total egg production was 54 million dozens more, or 17 percent larger than in January 1943. During January 1944, the net out-of-storage movement of all eggs (shell egg equivalent) was about 6,000,000 dozens smaller than a year earlier and the quantity used for drying was 28,000,000 dozens larger, leaving about 20 million dozens more for civilians and the military than were consumed in January last year.

Egg production is likely to continue larger than a year earlier through the first half of 1944 but in the last several months of this year probably will be below the record of a year earlier. At the present time it appears that both the farm and nonfarm output may total about 5.1 billion dozens, from 2 to 4 percent larger than in 1943.

Wholesale egg prices declined slightly from mid-January to mid-February when they ranged from about the same as a year earlier to 2 cents per dozen lower. The prospective demand for both civilian and war purposes in 1944 is stronger than the demand that prevailed during 1943. Currently higher prices for feed will result this coming spring in an egg-feed price ratio lower than the record high ratio of a year earlier but somewhat above average for the spring of the year.

Reflecting the less favorable egg-feed price ratio of the past few months, farmers indicated as of February 1, that they intend to purchase 17 percent fewer baby chicks this year than in 1943. Final plans will be made by farmers on the basis of the price relationships in the main hatching season, March through May.

Prices of practically all poultry items have been firm at ceilings for the past month. Current marketings of chickens and fowl have declined sharply from the seasonal peak last November, but are continuing much larger than a year ago. Food Distribution Order 91, restricting the sale of storage poultry, is still in effect. Storage stocks of poultry continue at record levels.

#### FRUIT

A record large 100 million-box crop of oranges and tangerines is in prospect for the 1943-44 season, based on February 1 conditions. A crop of this size would be 12 percent larger than the previous record large 1942-43 crop and 52 percent larger than the 10-year (1932-41) average production. The early and midseason orange crops in California and Florida, now being marketed in large volume, total about 44 million boxes, or 32 percent more than last season. Growing conditions of these crops continued favorable during January, leading to a substantial increase in estimates of production.



A grapefruit crop of 49.5 million boxes is indicated for the 1943-44 season, 2 percent smaller than the 1942-43 crop but 69 percent larger than the 10-year (1932-41) average production. The California lemon crop is expected to total 14.3 million boxes this season, 4 percent less than last season but 41 percent more than the 10-year average.

Total production of citrus fruit during the 1943-44 season -- oranges, grapefruit, lemons, and limes of the 1943 bloom -- is expected to be 6 percent larger than last season and 56 percent larger than the 10-year average.

Supplies of fresh citrus fruit continue plentiful. Processing of citrus fruit, particularly grapefruit, was late in getting started this season but is now well under way. Cold storage stocks of fresh apples and pears, which provide the principal commercial supplies of such fruit for the remainder of this season, were 32 percent and 53 percent smaller, respectively, on January 1, 1944, than similar stocks a year earlier.

Commercial shipments of fresh fruit by rail and boat amounted to 5,426 cars in the week ended February 5, 1944, compared with 6,144 cars in the week ended January 8, 1944 and 5,481 cars in the week ended February 6, 1943. Since early January 1944, weekly shipments of apples increased considerably, those of oranges, grapefruit, and lemons were maintained, and those of tangerines, pears, and grapes decreased substantially.

Prices for Western Delicious and Winesap apples on the New York auction advanced slightly during January and early February in response to increases in ceiling prices. In contrast, New York auction prices for Western D'Anjou pears not under ceilings, declined moderately from their very high level during the same period of time. New York auction prices for apples for the week ended February 4, 1944, averaged slightly lower than for the corresponding week a year earlier, but for pears they averaged about two-thirds higher than a year earlier.

New York auction prices for California Navel oranges declined sharply in early January and since then have remained fairly steady at the lower level. Such prices for Florida oranges, in contrast, declined about 50 cents a box from early January to early February, while prices for California lemons continued at ceiling levels. Similar prices for Florida grapefruit declined approximately 80 cents a box from the first week of January to the third week of that month, but recovered most of the decline by early February. Prices for oranges for the week ended February 4, 1944, were lower than similar prices a year earlier, while prices for grapefruit and lemons were higher than a year earlier.

#### TRUCK CROPS

A record large production of 17 winter season truck crops, 1,368,000 tons in the aggregate, is in prospect for 1944. This would exceed 1943 winter season production by 33 percent and the 10-year (1933-42) average by 49 percent. Indicated production of individual crops in 1944, expressed

as percentages of 1943 production, are as follows: Tomatoes, 197; cabbage, 174; green peas, 164; celery, 132; escarole, 131; spinach, 130; cauliflower, 128; kale, 128; beets, 124; lettuce, 116; snap beans, 114; and eggplant, 111 percent. Winter season lima bean, carrot, and green pepper crops for 1944 are expected to approximate in size those of 1943. Production of only two crops, artichokes and shallots, is indicated to be smaller than in 1943. Aggregate acreage in these 17 crops is estimated to be 28 percent larger this season than last; and yields, on an average, to be higher despite the unfavorable weather in parts of Texas and Florida during January.

Market supplies of snap beans, beets, broccoli, cabbage, carrots, cauliflower, celery, escarole, lettuce, kale, and spinach are expected to continue relatively plentiful during the next few weeks. Other winter season truck crops will continue to be available only in limited quantities during the next few weeks, although generally in somewhat larger supply than a year ago. Onion shipments are expected to continue light. Stocks of onions in storage January 1, 1944, (providing the bulk of marketings until April) totaled 2,817,000 sacks of 100 pounds each, or only two-thirds of the stocks a year earlier. A large part of these stocks was in the hands of dehydrators and Government agencies.

Carlot shipments of all truck crops totaled 6,703 cars in the week ended February 5, 1944. This compares with 6,084 cars in the corresponding week of 1943.

Plantings or intended plantings of spring crops of eight vegetables in 1944 -- asparagus, cantaloups (covered acreage), honeyball and honeydew melons (covered acreage), cabbage, cauliflower, onions, shallots and water-melons total 301,000 acres. This is 28 percent larger than the harvested acreage of these crops in 1943, and 13 percent above the 10-year (1933-42) average. Increases of 101 percent for spring onions and 62 percent for late spring watermelons are indicated. The increase in onion acreage is expected to occur principally in low-yielding areas.

Prices received by farmers for commercial truck crops during the first half of January generally were higher than for December and also above those of a year earlier. The January index of truck crop prices (seasonally adjusted) was 231, which is 16 points above that of January 1943 and more than double the 1935-39 January average. Prices the first week of February declined from the high mid-January level -- the result of increased supplies of some crops and the establishment of a new maximum price regulation for fresh vegetables.

The new vegetable maximum price regulation (MPR 426, Amdt. 18) provides a schedule of maximum prices at all levels, except for sales by retailers which will be covered by amendments to MPR 422 and 423, for carrots, spinach, green peas, snap beans, eggplant, peppers, and cucumbers. This order became effective January 31, 1944, at the country shipper level; and effective February 15, 1944, at the terminal market level. Maximum prices are established for these vegetables f.o.b. country shipping



points and delivered at wholesale receiving points. Markups are added to these prices for additional distributive services in moving the products to the retailer, and institutional or Government buyer. This regulation is expected to result in substantially lower prices for eggplant, cucumbers, and peppers in 1944 than those prevailing in 1943. Ceiling prices for the other four truck crops will be lower in some months and higher in others than the prices of 1943. However, ceiling prices for February for all seven crops are lower than the prices prevailing in January.

Indications for the first week of February are that snap beans, green peas, eggplant, cucumbers, and peppers were selling at ceiling price levels, and carrots and spinach slightly below ceiling levels. Lettuce and cabbage, which were placed under maximum price regulations at an earlier date, were selling somewhat below ceiling prices.

#### POTATOES

Stocks of merchantable white potatoes available for sale in the hands of growers and local buyers on January 1, 1944, amounted to 138 million bushels, 37 percent more than a year earlier, 33 percent more than the 10-year (1931-40) average, and the largest January 1 stocks on record. Carlot shipments of 1943 late crop potatoes during January and early February 1944 were considerably larger than a year earlier, yet abundant supplies remain for the rest of the season.

The acreage of commercial early white potatoes in 1944 is indicated to be 378,300 acres, compared with 374,000 acres in 1943 and 315,040 acres, the 10-year (1933-42) average. Average yields per acre on the indicated acreage this year would result in a smaller production than last year, when yields were 14 percent above the 10-year average.

Carlot shipments of 1944 early crop potatoes averaged slightly more than 100 cars a week during January and early February compared with slightly more than 5,600 cars a week of 1943 late crop potatoes during the same time.

The 1944 acreage intentions for intermediate and late crop potatoes based on reports of growers who reported stocks of potatoes January 1, 1944, point to a 7 percent decrease in acreage of these potatoes in 1944 compared with 1943.

Wholesale prices at New York City for Russet Burbank potatoes from Idaho and Green Mountain potatoes from Maine advanced slightly from early January to late January 1944, but declined slightly in early February. During the same period of time, f.o.b. shipping point prices in Idaho continued their advance into early February, contrary to the wholesale price movement, while in Maine they advanced slightly until late January and then declined slightly, similar to the wholesale price movement.



# ECONOMIC TRENDS AFFECTING AGRICULTURE

INDEX NUMBERS: INDICATED BASE PERIOD = 100

| YEAR AND MONTH     | INDUSTRIAL PRODUCTION <sup>1</sup> | FACTORY EMPLOYMENT <sup>2</sup> | FACTORY PAY ROLLS <sup>2</sup> | INCOME OF INDUSTRIAL WORKERS <sup>3</sup> | CASH INCOME FROM FARM MARKETINGS <sup>4</sup> | WHOLE SALE PRICES OF ALL COMMODITIES <sup>5</sup> | RETAIL FOOD PRICES <sup>6</sup> | COST OF LIVING URBAN <sup>7</sup> | PRICES RECEIVED BY FARMERS <sup>8</sup> | PRICES PAID BY FARMERS <sup>9</sup> | PRICES PAID BY FARMERS, INTEREST AND TAXES <sup>9</sup> | RATIO OF PRICES RECEIVED TO PRICES PAID INCL. INTEREST AND TAXES |
|--------------------|------------------------------------|---------------------------------|--------------------------------|-------------------------------------------|-----------------------------------------------|---------------------------------------------------|---------------------------------|-----------------------------------|-----------------------------------------|-------------------------------------|---------------------------------------------------------|------------------------------------------------------------------|
| Base Period        | 1935-39                            | 1935-39                         | 1935-39                        | 1935-39                                   | 1935-39                                       | 1935-39                                           | 1935-39                         | 1935-39                           | 1910-14                                 | 1910-14                             | 1910-14                                                 | 1910-14                                                          |
| 1929               | 110                                | 108                             | 127                            | 134                                       | 142                                           | 118                                               | 133                             | 123                               | 149                                     | 154                                 | 167                                                     | 89                                                               |
| 1930               | 91                                 | 94                              | 103                            | 110                                       | 113                                           | 107                                               | 126                             | 119                               | 128                                     | 146                                 | 160                                                     | 80                                                               |
| 1931               | 75                                 | 80                              | 78                             | 84                                        | 80                                            | 91                                                | 104                             | 109                               | 90                                      | 126                                 | 142                                                     | 63                                                               |
| 1932               | 58                                 | 68                              | 54                             | 58                                        | 59                                            | 80                                                | 86                              | 98                                | 68                                      | 108                                 | 124                                                     | 55                                                               |
| 1933               | 69                                 | 75                              | 58                             | 61                                        | 67                                            | 82                                                | 84                              | 92                                | 72                                      | 108                                 | 120                                                     | 60                                                               |
| 1934               | 75                                 | 88                              | 75                             | 76                                        | 79                                            | 93                                                | 94                              | 96                                | 90                                      | 122                                 | 129                                                     | 70                                                               |
| 1935               | 87                                 | 93                              | 85                             | 86                                        | 89                                            | 99                                                | 100                             | 98                                | 109                                     | 125                                 | 130                                                     | 84                                                               |
| 1936               | 103                                | 101                             | 99                             | 100                                       | 105                                           | 100                                               | 101                             | 99                                | 114                                     | 124                                 | 128                                                     | 89                                                               |
| 1937               | 113                                | 111                             | 118                            | 117                                       | 111                                           | 107                                               | 105                             | 103                               | 122                                     | 131                                 | 134                                                     | 91                                                               |
| 1938               | 89                                 | 93                              | 91                             | 91                                        | 96                                            | 98                                                | 98                              | 101                               | 97                                      | 123                                 | 127                                                     | 76                                                               |
| 1939               | 109                                | 102                             | 106                            | 105                                       | 99                                            | 96                                                | 95                              | 99                                | 95                                      | 121                                 | 125                                                     | 76                                                               |
| 1940               | 125                                | 110                             | 122                            | 119                                       | 105                                           | 98                                                | 97                              | 100                               | 100                                     | 122                                 | 126                                                     | 79                                                               |
| 1941               | 162                                | 135                             | 178                            | 169                                       | 140                                           | 108                                               | 105                             | 105                               | 124                                     | 131                                 | 133                                                     | 93                                                               |
| 1942               | 199                                | 155                             | 258                            | 238                                       | 194                                           | 123                                               | 124                             | 117                               | 159                                     | 152                                 | 151                                                     | 105                                                              |
| 1943               | 239                                | 172                             | 337                            | 304                                       | 242                                           | 128                                               | 138                             | 124                               | 192                                     | 167                                 | 163                                                     | 117                                                              |
| 1943               |                                    |                                 |                                |                                           |                                               |                                                   |                                 |                                   |                                         |                                     |                                                         |                                                                  |
| Jan.               | 227                                | 168                             | 310                            | 281                                       | 224                                           | 126                                               | 133                             | 121                               | 181                                     | 160                                 | 157                                                     | 115                                                              |
| Feb.               | 232                                | 170                             | 317                            | 287                                       | 240                                           | 127                                               | 134                             | 121                               | 184                                     | 162                                 | 159                                                     | 116                                                              |
| Mar.               | 235                                | 171                             | 324                            | 295                                       | 260                                           | 128                                               | 137                             | 123                               | 192                                     | 163                                 | 160                                                     | 120                                                              |
| Apr.               | 237                                | 171                             | 330                            | 300                                       | 261                                           | 129                                               | 141                             | 124                               | 197                                     | 165                                 | 162                                                     | 122                                                              |
| May                | 238                                | 171                             | 334                            | 302                                       | 258                                           | 129                                               | 143                             | 125                               | 194                                     | 167                                 | 163                                                     | 119                                                              |
| June               | 236                                | 172                             | 338                            | 304                                       | 256                                           | 129                                               | 142                             | 124                               | 195                                     | 168                                 | 164                                                     | 119                                                              |
| July               | 240                                | 173                             | 336                            | 306                                       | 256                                           | 128                                               | 139                             | 124                               | 193                                     | 169                                 | 165                                                     | 117                                                              |
| Aug.               | 242                                | 174                             | 343                            | 312                                       | 266                                           | 128                                               | 137                             | 123                               | 192                                     | 169                                 | 165                                                     | 116                                                              |
| Sept.              | 245                                | 174                             | 349                            | 315                                       | 242                                           | 128                                               | 137                             | 124                               | 193                                     | 169                                 | 165                                                     | 117                                                              |
| Oct.               | 247                                | 174                             | 354                            | 317                                       | 249                                           | 128                                               | 138                             | 124                               | 194                                     | 170                                 | 166                                                     | 117                                                              |
| Nov.               | 247                                | 174                             | 358                            | 318                                       | 254                                           | 128                                               | 137                             | 124                               | 194                                     | 171                                 | 167                                                     | 116                                                              |
| Dec. <sup>10</sup> | 245                                | 173                             | 350                            | 316                                       | 257                                           | 128                                               | 137                             | 124                               | 196                                     | 173                                 | 169                                                     | 115                                                              |
| 1944               |                                    |                                 |                                |                                           |                                               |                                                   |                                 |                                   |                                         |                                     |                                                         |                                                                  |
| Jan. <sup>10</sup> |                                    | 170                             | --                             | --                                        | --                                            | 128                                               | 136                             | 124                               | 196                                     | 174                                 | 169                                                     | 116                                                              |

<sup>1</sup>Federal Reserve Board, adjusted for seasonal variation.

<sup>2</sup>Based on Bureau of Labor Statistics data. Seasonal fluctuations in factory employment and pay rolls appear to have been largely eliminated since the United States entered the war; accordingly, no adjustments for seasonal variation have been made since December 1941.

<sup>3</sup>Includes factory, railroad, and mining employees. Adjusted for seasonal variation.

<sup>4</sup>Adjusted for seasonal variation.

<sup>5</sup>Bureau of Labor Statistics, 1926 = 100 converted to 1935-39 = 100 by multiplying by 124.069 percent.

<sup>6</sup>Bureau of Labor Statistics.

<sup>7</sup>Bureau of Labor Statistics. Index numbers of cost of goods purchased by wage earners and low-salaried workers in large cities.

<sup>8</sup>August 1909-July 1914 = 100. Revised January 1944.

<sup>9</sup>Annual figures are straight averages of 12 monthly indexes.

<sup>10</sup>Preliminary.

Note: In comparing trends between industrial production and industrial workers' income, as indicated by the above index numbers, notice should be taken of the fact that income of railway workers, as well as incomes of mining and factory workers, is included in the index of industrial workers' income, whereas the industrial production index is based on mining and manufacturing only. Similar precautions are necessary in comparing trends between industrial production and factory employment and pay rolls. Another consideration of importance is that the production index is based on volume, whereas the income indexes are affected by changes in wage rates as well as by time worked. In comparing monthly indexes it is important to keep in mind the fact that there is usually a time lag between changes in volume of production and similar changes in employment and in workers' income.